From:
 Halasz, Stephen (Austin,TX-US)

 To:
 Gary Moore/R6/USEPA/US@EPA

 Cc:
 Richard Bergner

 Subject:
 Falcon Update

 Date:
 06/24/2011 01:09 PM

Gary,

We had transferred much of the water in the tanks to Tank 30 when yesterday afternoon we noticed a wet spot forming on one of the sides of the tank. The wet area kept expanding and we suspect that the bottom of the tank has a hole. The liquid is not coming from the side of the tank or from the bottom seam. Fortunately it's a very slow release and appears to be water.

Due to the apparent leak in Tank 30 we have decided to move all the water into Tank 26, which contained the most water previously and appears to be in the best condition. We had hoped to be finished with all of the liquid transfer into Tank 30 some time on Sunday however now that we have to empty the contents of Tank 30 we will likely have all the liquid transferred by Wednesday or Thursday of next week.

The manways have been removed from the tanks that we've removed the liquids from and we've obtained samples of residual oil and samples of the solids (sludge) in the bottoms of the tanks. We submitted the samples for laboratory analysis so that we can characterize the waste for proper disposal and the oil for recycling, if possible.

The cleanout of the tanks will follow the actions provided in the recent addendum to the Removal Action Work Plan.

We continue to work on the discharge permit and should have that complete in approximately three weeks.

We will not dispose of any solids without your approval. Likely we will be sending the solid waste to the US Ecology facility in Kingsville, which you've approved in the past.

Let me know if you need additional information.

Mr. Bergner and I will be in Dallas next week (Wednesday the 29<sup>th</sup>) to meet with Mr. Coleman, Rafael and Gloria, are you going to attend also?

Stephen Halasz P.G. Program Manager



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